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17 January 1967

MEMORANDUM FOR THE RECORD

SUBJECT: Quarterly Forecast of OEL NRO Contract Actions

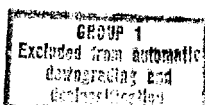
1. The OEL forecast of NRO contract actions for the third quarter of FY-1967 raised three important considerations.

- a. The use of vehicle 122 as a test bed.
- b. The likelihood of actual use of OEL ECM gear.
- c. Further development of ECM gear for other than CIA employment.

2. [redacted] noted that OXCART vehicle 122 will be needed for flight testing of at least two items of OXCART ECM equipment, [redacted]. Mr. Duckett stated very clearly that any testing (for OXCART use) in October 1967 is of little value to CIA. Also, if 122 is one of the aircraft to be moth-balled in July, there will be no flight testing of any ECM gear. Any plans for flight testing after January 1968 are out of the question because no aircraft, not even 122, will be available. It is also futile to expect that any moth-balled aircraft will ever be used again, either for operational use or for flight testing.

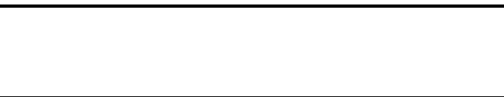
3. If, while there is yet the possibility of operational use of OXCART aircraft and we can predict the use of ECM gear now in development, we should complete the work. In any case, simulation testing should continue even if flight test is not possible or not desirable.

4. Since there is neither inclination nor authority to continue ECM development unless there is a clear need to support CIA activities, the question remains whether or not OEL continues to work on ECM for USAF. If USAF does seek such services then we shall provide them if adequate arrangements can be made for funding and programming. The point to avoid is having OEL exist at the mercy of an outside "buyer" rather than as an integral and necessary part of CIA.

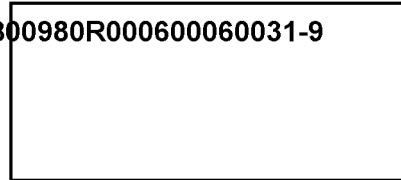


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5. Mr. Duckett questioned continuation of [ ] because it must be tested in #122. We are not likely to be able to use it before we lose all OXCART assets; so if USAF does not want it, we do not test it. He did approve completion of simulation tests however.

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6. Mr. Duckett approved parallel development of Systems 13C and 13D because we need 13C for IDEALIST (and maybe OXCART) until 13D is ready some two years from next June. System 13D will not be ready for delivery with the USSR so we still need System 13C.

7. A letter asking for [ ] of [ ] money to be added to [ ] will be sent to D/NRO. Approval probably depends in great measure on whether or not USAF wants such work continued, either for application to the SR-71 or for more general use.

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8. [ ] has reached an impasse because of the apparent need to define who does communications R&D for it and because of current [ ]-like work in OSA. OSA claims como responsibility and is apparently near having an [ ] communications as integral part of the [ ] program and therefore sees it as an OEL management responsibility. (This is a good example of the pitfalls of unilateral, albeit well-intentioned, R&D work as opposed to total system or total program concepts.) Mr. Duckett indicated that he would seek his own data on this subject.

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9. [ ] has initiated a study of "how to keep the [ ] group in the business." Mr. Duckett agrees that this is a good idea provided we do so in response to NRO or USAF. We will not seek business to stay in business.

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10. In summary, Mr. Duckett stated that we should plan to drop OXCART-related work in the near future unless there is a clear CIA need or some other agency requests such work for their own use. In the meantime we are to proceed as outlined in the forecast, assuming that each case will be subject to interpretation when it is presented. Exceptions are that [ ] is to be carried through the simulation phase only and we are to find a reasonable place to phase out KEMPSTER.

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11. This memorandum has been coordinated with OEL. Their memorandum complements this one but deals more specifically with costs and contracts.

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